CHINA E-COMMERCE INSIGHT

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Content

EVERYTHING AS A PORTAL: THE NEXT BIG THING FOR RETAIL INDUSTRY

It's been some time since Amazon released its audacious project, the Amazon Go, an automated bricks-and-mortar store integrating cutting-edge technology to create brand new shopping experience. Building a store powered by machines and sensors is not a new idea, what Amazon showed us is the potential there is for retailers to engage with customers seamlessly without triggering the discomfort or unease that machine usually does to people.

QR Code, mobile payment and social media in-planted E-com webstores had already shown us the possibilities for customers to engage with retailers not just at the cashier or information desks. It is about meeting the customer needs in more aspects and adapt your channel strategy accordingly.

We called it 'Everything as a Portal', that every little interaction, be it scanning QR codes, searching, browsing, paying can be transformed to traffic to another product or service. The future of retailing will blur the boundary between online and offline.

2017: TRENDS YOU NEED TO KNOW FOR ONLINE RETAIL SUCCESS IN CHINA

By Don Zhao - Co-founder of Azoya, published on IMRG

As the Chinese ecommerce market enters a more stable period, 2017 looks set to be the ideal time for online retailers to sell in the country. Don Zhao, co-founder of Azoya, examines key trends in China for the coming year and advises on how to harness them to achieve long-term success.

1.

THE MARKET WILL GROW BUT AT A MORE SUSTAINABLE PACE

2016 marked a significant turning point for China's ecommerce industry. After two years of rapid and unregulated growth, the Chinese government introduced a series of tax and customs policies aimed at reigning in the sector and making B2C ecommerce and traditional B2B2C bulk trade a more level playing field.

Its strategy is working. Rogue traders (which were either selling counterfeit goods or over-extending themselves) have disappeared and as a result the total volume of cross-border ecommerce transactions has dropped by almost half over the past 12 months.

One of the Chinese government's most notorious policies in 2016 was the announcement of the 'Positive List' in April, which allows limited items including imported cosmetics, baby formula milk, medical equipment and certain food products to enter China via its free trade zones. In November 2016 the government decided to delay the implementation of this policy until the end of 2017 — enabling retailers to continue importing other products into bonded warehouses for the time being.

What does this all mean for online retailers planning to export to China in 2017, and beyond? Should they worry about ongoing government interference? In my opinion, no. Policymakers are merely striving to reach a balance between regulation, customs revenue and healthy growth of the industry.

Overseas retailers will just need to adapt their cross-border logistics accordingly. Alternative solutions are available to them, such as drop-shipping, and most importantly, the appetite for Western brands and high-quality products shows no sign of diminishing.

2. ALIBABA WILL SEE INCREASING COMPETITION FROM INDEPENDENT RETAILERS

Alibaba, which offers a platform to sell in China via Tmall Global, is the best-known route available to overseas retailers, but by no means does it have the monopoly. Indeed, many leading brands, such as Coach and Michael Kors, have recently opted for alternative ways to reach Chinese consumers.

This does not come as a surprise. Although Alibaba's reach is enormous, it is also prohibitively expensive once all costs are factored in. In addition, it has a reputation for selling counterfeit goods as well as genuine brands, which can be damaging to a well-known retailer's reputation.

European companies including Feelunique and La Redoute have also already seen considerable success by launching their own Chinese websites, which enables them to have complete control over all aspects of their operations, from marketing and merchandising to logistics and customer service. More Western brands are likely to follow suit in the new year.

3. SOCIAL MEDIA STRATEGIES WILL NEED TO BE SAVVY

The Chinese may not have Facebook or Twitter as they are blocked by a firewall. However, they are arguably better served by WeChat, which is ubiquitous in China, and provides the ultimate gateway for retailers to reach consumers.

A combination of online browser, messaging app and social media platform under one virtual roof, 'super app' WeChat has 700 million users who can access over 10 million internal apps (known as official accounts). It's also one of the most important multichannel portals for business, both in China and overseas.

Retailers can use their WeChat account for a range of activities, from the promotion of news and special offers to incentivised brand activities, customer engagement, loyalty building and payment. It's a proven business model and one that overseas retailers need to embrace as its influence increases.

An example of a successful Black Friday WeChat promotion for Bodyguard Apotheke, a German online pharmacy. It shows a post by a well-respected influencer — specialising in mother and baby care — on suitable medicines for babies, which was read 26,142 times and received 2,136 likes.

Microblogging site Weibo is also important to retailers, offering an alternative social media channel for reaching customers. Commonly known as the Chinese Twitter, it grew by a third in 2016 and now has almost three million users, and looks set to continue increasing in popularity this year. It's another popular platform for online influencers, who are happy to endorse products from reputable retailers.

La Redoute and Feelunique recently partnered with several of China's key online celebrities, who promoted products to their huge fan bases, and this trend for recommendations from a trusted source should not be overlooked.

Whichever platform a retailer uses, social media activity must be pertinent to the demanding and fickle Chinese customer. Live-streaming video and VR (virtual reality) are taking off in China, and these technologies are likely to shape marketing strategies in 2017. According to Credit Suisse and eMarketer estimates, live-streaming industry revenue in China reached over £3bn in 2016, while VR's estimated growth over the past 12 months was 458%, making it worth £81 m.

4. CHINESE CONSUMER CULTURE WILL CONTINUE TO BE A KEY INFLUENCER

Orchestrated shopping bonanzas have become firm fixtures in the Chinese calendar over the past few years. Singles Day (11th November), **the world's biggest shopping day**, Double 12 (12th December) and 6.18 (18th June) are the top three Chinese festivals, but Western ones such as Black Friday, Cyber Monday and even Christmas are fast becoming popular.

We recently undertook a survey looking at Chinese perceptions of overseas online shopping holidays. 62% chose Black Friday as their favourite.

Shopping holidays are creating huge opportunities for overseas retailers. They're competitive and require careful planning to cope with demand, but provide retailers with a chance to reach out to new customers and build loyalty with existing ones.

5. MOBILE WILL RULE

Online shopping came later to China than to the West, and coincided with a huge uptake in smartphones. Mobile commerce accounts for just over half of online sales in China already and as recent figures show smartphones now represent over 90% of new phone sales, this trend looks set to continue. 2016's Singles Day saw 82% of its sales from mobile, and this figure is likely to rise next time.

WeChat has played an important role in mobile's rise as the OPTIMUM ONLINE SHOPPING TOOL. Not only does it make accessing online retailers so convenient, payment by mobile is simple. Customers need to create a WeChat wallet by linking to a bank card and can then shop with ease.

6. SUCCESSFUL RETAILERS WILL GO LOCAL

For a country the size of China, with a population of nearly 1.4 billion, it may seem daunting to try and create localised strategies, but it can be done and is worth the effort. Generally speaking, eastern and southern coastal regions are more affluent than inland provinces, with Tier 1 cities such as Beijing and Shanghai important targets.

Many consumers have either lived or been educated abroad and are familiar with Western brands, so these areas are good starting points.

Interestingly, there has recently been a notable rise in the number of consumers in Tier 2 cities including Suzhou and Ningbo, where living costs are lower and many people are starting to spend their disposable income on overseas shopping. This is a development worth watching.

While there will undeniably be challenges in China in 2017, opportunities are ripe for overseas retailers that embrace fast moving trends, run bespoke promotional campaigns and put logistics at the core of their business model.

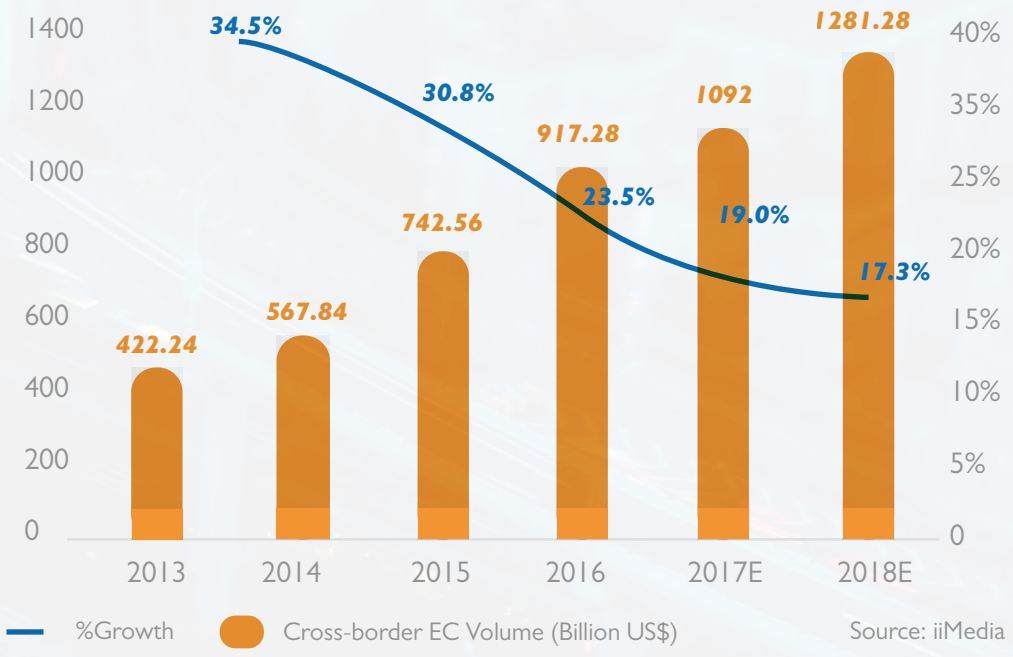
2017

CHINA CROSS-BORDER E-COMMERCE POLICIES

The past 3 years have seen strong growth in cross–border E–commerce (cross–border EC) import in China. The once dominating general import trade (or traditional bulk trade) is now being challenged by the new model. In 2016, the total cross–border EC had reached 6.3 trillion RMB (approximately USD 917 billion)[1] , while import volume accounted for 19.6% percent of the total import and export volume in the first half of the year [2], which is a 30% increase compared to 2015.

Major features of cross–border EC are small orders, huge volume of parcels, and difficult to inspect. Behind the booming of cross–border EC, there are potential threats of smuggling, counterfeits, loss of state revenue, and a range of other worrying issues, which had put the Chinese government on high alert. It is reasonable that the Chinese Customs will join force with Ministry of Finance and State Administration of Taxation to tighten the control on the rather barbaric cross–border EC sector.

China's Cross-border E-commerce Volume 2013 - 2018



[1]Source: iiMedia

[2]Source: ec100.cn

For the Chinese authority, cross-border e-commerce is a new sector, which requires time to see through bubbles. And their missions are becoming clearer to the public over the past 1 year of trials and experiments:

- to restore balance between cross-border EC and traditional bulk trade,
- to create new revenue source for the country,
- and ensure healthy growth of the industry under regulations.

In this article, you will find a detailed analysis of major policies issued in 2016 and impact on the international logistics route for retailers.

PART 1: Major Policies in 2016

APRIL 8TH, 2016: INTRODUCTION OF 'POSITIVE LIST' AND NEW TAX POLICIES

On April 8th of 2016, the Chinese Customs, Ministry of Finance and State Administration of Taxation jointly released new taxation policy for retailing import, as well as introducing a new threshold to limit importable items through B2C commercial and free trade zone, also known as the notorious 'positive list'.

The new taxation policy treats all retailing imports as 'commercial goods' has changed the taxes of the two clearance models – the B2C commercial clearance and personal postal articles. Under the new tax policy, the B2C commercial clearance will need to charge customs duty, VAT and consumption tax (if applicable), which is in line with general import regulation instead of personal effects. For personal effects, 3 classes of duty were applied to those with value exceeding 50 RMB (US$ 7.2 USD).

A cap of 2,000 RMB (US$ 291) per transaction and 20,000 RMB annually was placed on B2C commercial clearance and bonded import for each Chinese citizen. While within the cap volume, citizens are allowed 30% deduction of the VAT and consumption tax (if applicable), and paid in full as general import trade if exceeded.

The 'positive list' is a limitation imposed by the Customs on the goods permitted import through B2C commercials and bonded model (free trade zone). Import permits, registration and filing requirements are imposed on the 'first time imports', including first-time imported cosmetics, baby formula, medical equipment and special food products. Most of these documents require weeks or even longer to obtain, which is devastating to cross-border importers.

Following the release of the new policies, cross-border EC transaction in the Shenzhen, Zhengzhou, Ningbo free trade zones had shrunken 61%, 70% and 62% respectively . The strict requirements on the B2C commercials and bonded model had also driven big players to adopt drop-shipping models, one that was less affected by the new policies.

MAY 24TH, 2016: CHINESE CUSTOMS ANNOUNCED TRANSITIONAL PERIOD BEFORE OFFICIAL IMPLEMENTATION OF POSITIVE LIST

Until 11 May 2017 (that day included), "bonded imports" entering the bonded zones in the 10 cross-border e-commerce pilot cities will be exempted from checks of their Customs Clearance Certificates. Import permits, registration or filing will not be required for first-time imported cosmetics, baby formula, medical equipment and special food products (including health food products and food for special medical purposes).

Import permits, registration or filing requirements will also be exempted for 'direct purchase imports', including first-time imported cosmetics, baby formula, medical equipment and special food products.

The release of the transitional period does address to the problem that some imported commodities were unable to obtain first time import. Cross-border EC enterprises will be given one year of time to adjust.

OCTOBER 1ST, 2016: NEW TAX POLICY FOR COSMETIC PRODUCTS

China has announced that consumption tax for all cosmetic products are reduced or removed, effective immediately from 1st of October, 2016. Under the latest policy, consumption tax of cosmetic products with ex-VAT price below 10 RMB/ml (g) or 15 RMB/piece will be removed while products above the level will be defined as premium cosmetic products, subjected to 15% of consumption tax. This has in turn affected tax rate of personal postal article, general import, B2C commercials and bonded model.

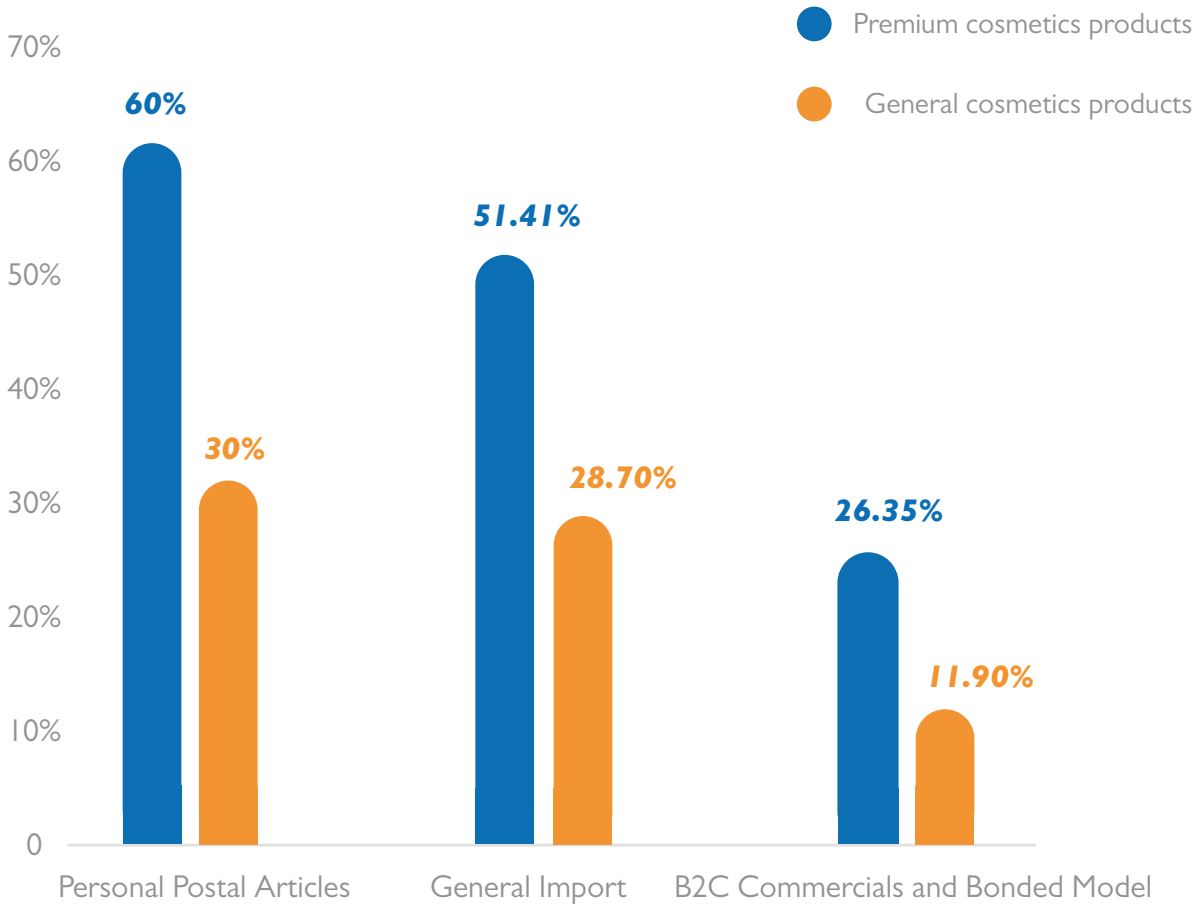
A comparison between three different clearance models has shown that B2C commercials mail and bonded model are the ones with lowest duty for cosmetics products. But when considering the relatively low inspection rate of personal postal articles, drop-shipping is still an option for retailers.

NOVEMBER 15TH, 2016: EFFECTIVE DATE OF 'POSITIVE LIST' POSTPONED TO THE END OF 2017

The Ministry of Commerce announced on November 15th that the effective date of the 'positive list' issued earlier this year on 8th of April will be further postponed to the end of 2017. This is the second time that the Chinese government postpones the effective date while the first one occurred on May 24th.

It is a sign that the policy makers in China are reviewing the policy issued on April 8th. News reports from major E-commerce media also stated that the government are visiting domestics cross-border EC companies to investigate latest practices and will revise the policy accordingly.

Cosmetics Import Customs Duty after October 1st, 2016

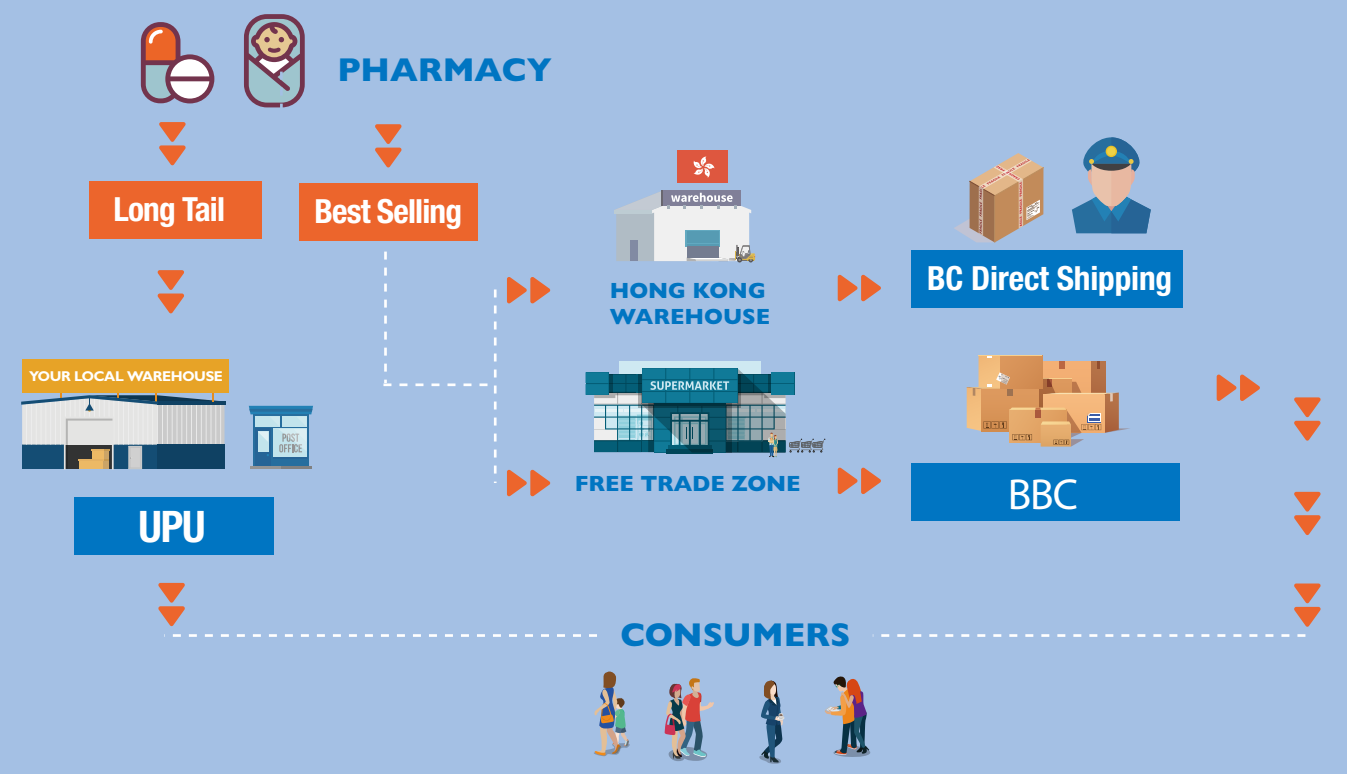


PART 2: Cross–border Logistics Routes

Here are our recommendations for retailers overseas. It is worth noted that for cosmetics, UPU (Universal Postal Union) is still the best route especially for Europe, thanks to the fierce competition between national posts.

High Value & High Tax Rate

Low Value & Low Tax Rate



THE YEAR OF THE ROOSTER IS ALSO THE YEAR OF OMNICHANNEL

Sylvia Wei, Azoya Deputy Managing Director for Australia

2017 will be the year for omnichannel in China. Australian retailers need to be aware of the changing landscape to take advantage of cross-border e-commerce.

While omnichannel retailing has driven the Australian retail industry for the past decade, it's been a very different story in China, but this is rapidly changing. 2017 — the Year of the Rooster — is shaping up to be an important year for omnichannel retailing in China.

Australian retailers looking to take advantage of China's booming cross-border e-commerce market should be aware of three key factors changing the industry to compete in this market.

1.

CHANGING CONSUMER BEHAVIOUR AND GROWING CONSUMER-CENTRIC APPROACH

Consumer behaviour in China has changed dramatically the past few years, leading to rapid growth in the e-commerce sector, as well as the emergence of social media and mobile payments. This has enabled Chinese consumers to acquire products from more than just one source.

New technologies and improved logistics have reduced the gap in the shopping experience between online and offline channels. Retailers are also overhauling their thinking to become more customer-centric instead of blindly expanding their sales channels.

Tech-savvy retailers are becoming more engaged with social media and new digital channels than ever before, to provide better customer service, particularly easy navigation, customer education, information updates, customer loyalty programs and efficient logistics, to name a few.

Retailers will no longer be able to simply launch e-commerce sites in conjunction with their brick and mortar stores and call it omnichannel. It also requires consistent prices, great products and impressive customer service across all channels, as well as enhanced logistics capabilities.

2.

ONLINE BECOMING MORE COMPETITIVE

The e-commerce sector has grown rapidly over the past few years, but the speed of growth is starting to slow. Despite the large number of retailers opening online stores, the number of online shoppers purchasing from these sites is increasing at a slower rate, resulting in rising traffic acquisition costs. Operating an e-commerce business can be an expensive option for many Chinese retailers.

Rising costs have forced online retailers to look for new opportunities to grow through their physical stores. On the other hand, physical stores are continuing to expand their operations to online channels, either to generate more sales or to introduce more offline traffic. Omnichannel retailing is a solution that creates a synergy for both online and physical retail.

3. MOBILE PAYMENT PENETRATION AT AN ALL TIME HIGH

Mobile commerce penetration is very high, accounting for just over half of online sales in China last year. This creates many valuable opportunities for retailers and has greatly sped up omnichannel retailing. Combining physical retailing with m-commerce will be one of the key trends in China this year.

Some popular mobile payment methods such as WeChat Pay are integrated with social functions, allowing customers to follow their favourite brands and engage directly with them. Starbucks in China, for example, recently announced it now accepts WeChat Pay mobile payments in store, as well as launching a social gifting platform to allow WeChat users to send Starbucks gifts to their friends. Retailers can determine the buying behaviours and preferences of consumers to provide better customer service.

This is a great opportunity for Australian retailers. Integrating Chinese mobile payment methods in e-commerce websites and offline cash terminals provides opportunities to build their brand among increasing Chinese tourists and the burgeoning Chinese middle class who have higher disposable incomes than ever before.

Payment providers in Australia are getting on board too. Novatti signed a deal last year with RoyalPay Australia to support WeChat Wallet financial transactions for Chinese consumers in Australia.

By factoring these developments into their Chinese e-commerce strategies, Australian retailers will be able to compete on a level playing field and successfully grow their businesses in China.

Cross-border shopper behavior

3 POPULAR FOREIGN SHOPPING DAYS

BLACK FRIDAY

CYBER MONDAY

CHRISTMAS

2 REASONS FOR SHOPPING OVERSEAS

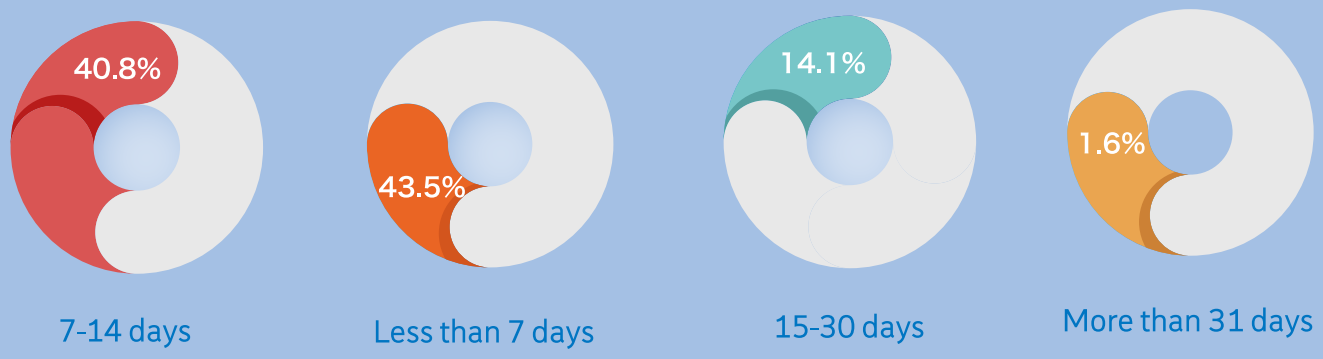
QUALITY

BRANDS

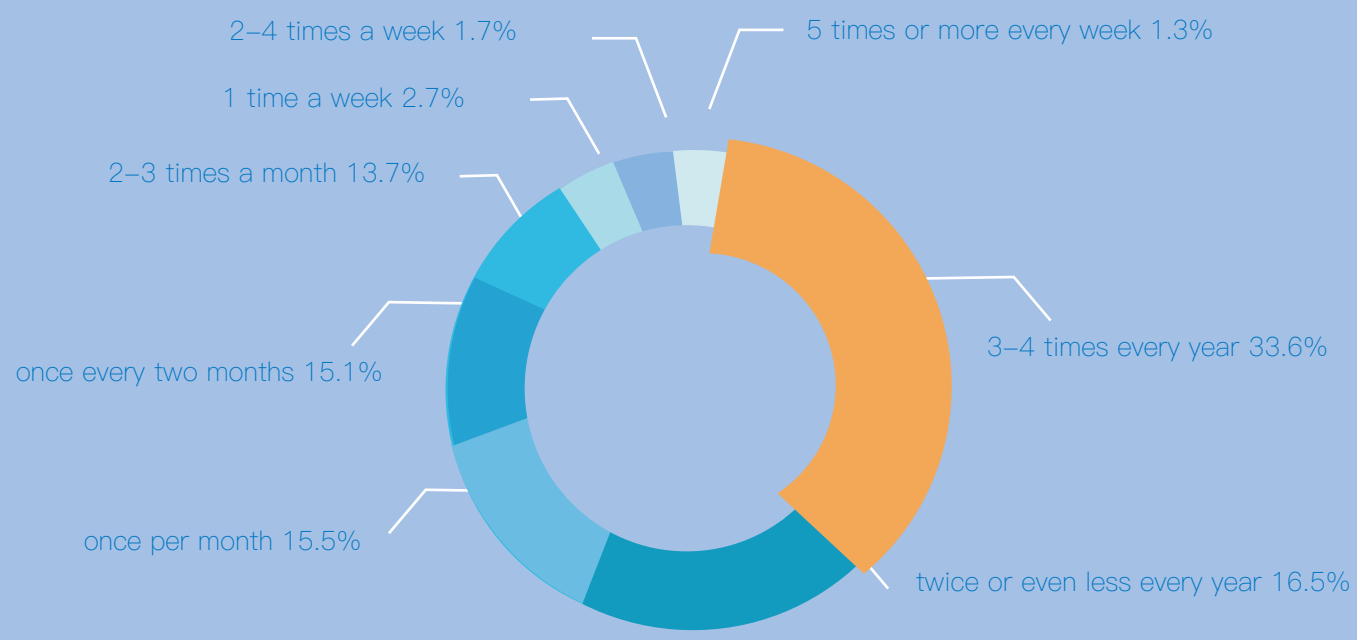
$109 USD

AVERAGE SPENDING ON BLACK FRIDAY BY CHINESE CONSUMERS

Delivery time that overseas online shoppers accept



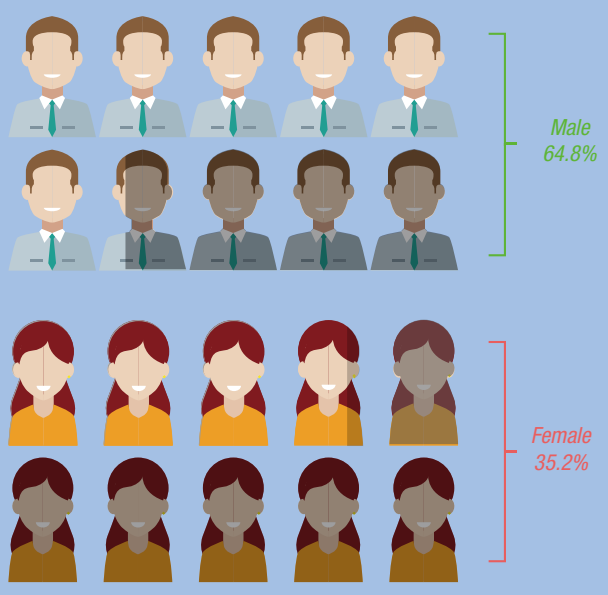
Frequencies of Cross-border Shopping



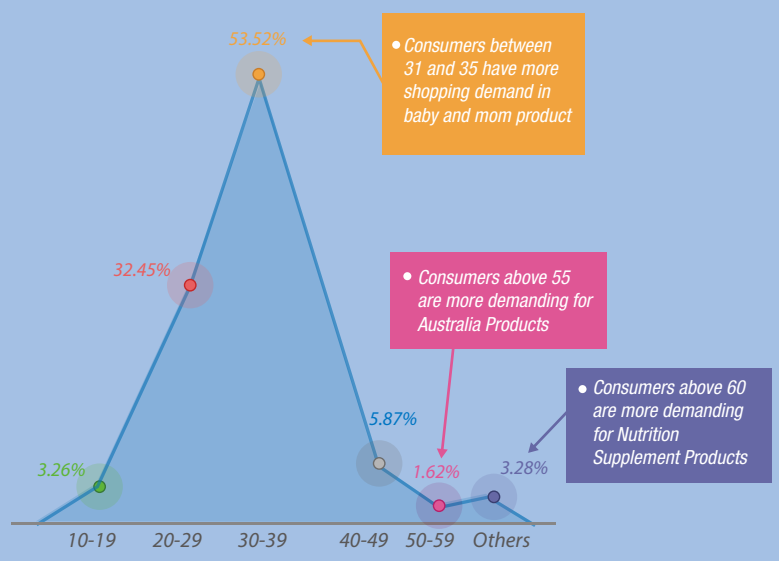
Source: iResearch

Source: BigData-Research

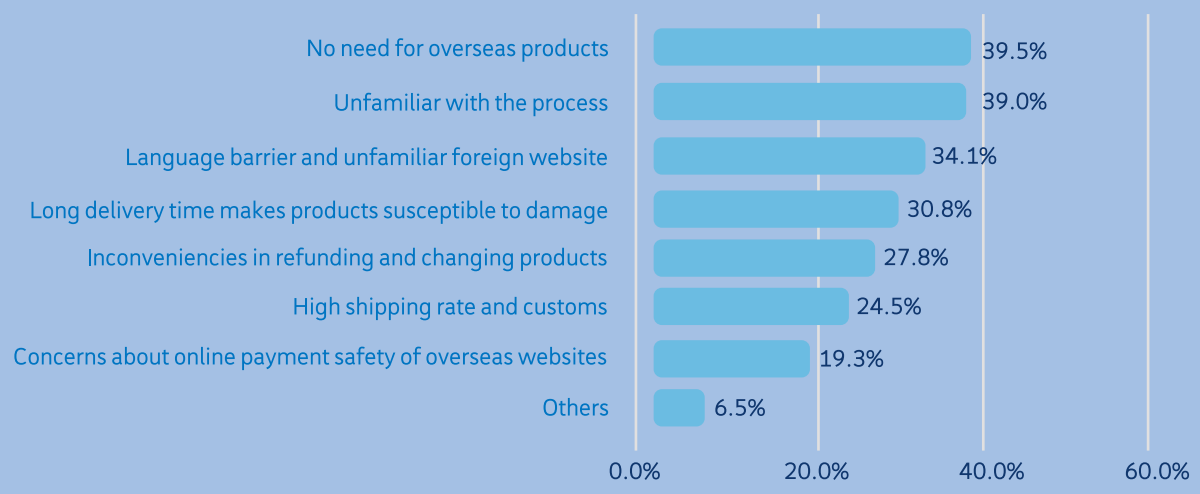
Gender Distribution



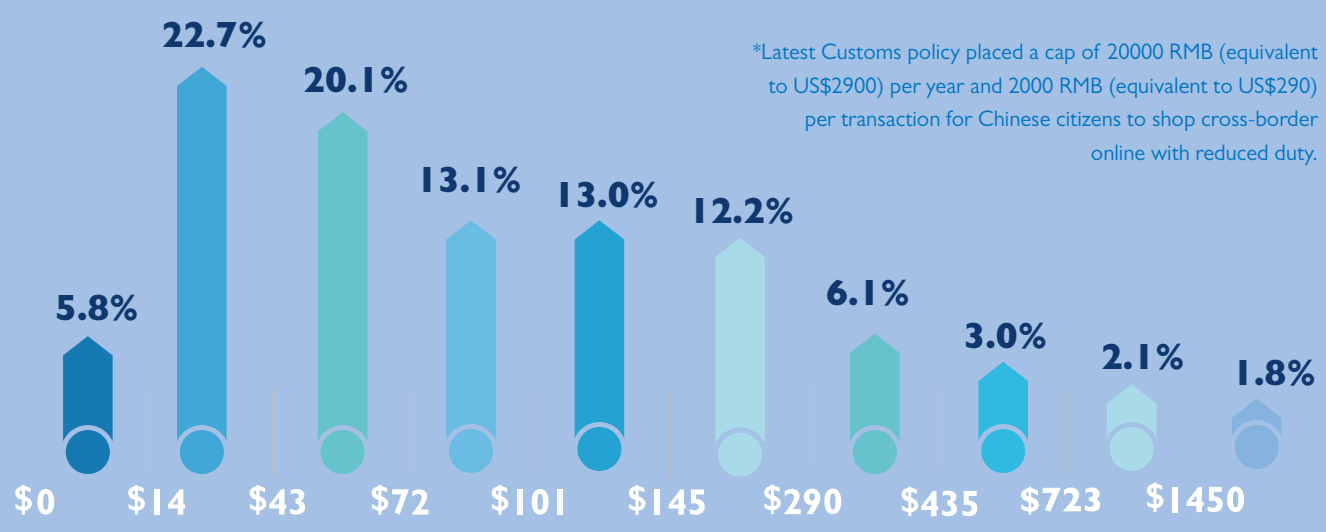
Age Distribution



Why people don't shop online for overseas products



Cross-border Shopping Average Value Per Basket



*Latest Customs policy placed a cap of 20000 RMB (equivalent to US$2900) per year and 2000 RMB (equivalent to US$290) per transaction for Chinese citizens to shop cross-border online with reduced duty.

Source: iResearch
Source: BigData-Research

LEARNING FROM CHINESE CHAT

By Don Zhao - Co-founder of Azoya, published in Internet Retailing

Don Zhao – Co-founder of Azoya

The success of mobile commerce in China is due to a combination of advanced digital technology and cultural trends. The country's most popular messaging app, WeChat, has been described as 'life' — with 700 million users shopping, paying and searching over 10 million internal apps. With estimates for mobile commerce in China in 2016 accounting for 55.5% of online sales compared with 37% in the UK, what are British retailers missing?

While the key to selling internationally is to 'think local', different territories can offer inspiration to others' own domestic operations, particularly when a country excels in retailing via a specific channel or uses technology resulting in huge commercial success. Despite being a fiercely competitive market dominated by commerce giant Alibaba, other retailers — both from China and overseas — are successfully fighting for market share by creating mobile products that are both dynamic and agile. As a result, mobile commerce in China is booming.

External factors have played a crucial role in the meteoric rise of mobile commerce. Smartphones are becoming cheaper and better and account for 92.4% of new phone sales, contributing to China's position as the world's largest smartphone market. Chinese consumers are also drawn to the convenience of mobile shopping, which allows them to buy anytime and anywhere — commuting is a particularly popular time. Major state investment in telecoms infrastructure and the availability of 4G are also significant factors.

Large scale ecommerce is newer in China, meaning there isn't a tradition of using a PC to order online, plus its youthful demographic is willing to use the latest technology. Research has shown that half of China's mobile shoppers are aged between 24 and 30. China's physical retail sector is relatively underdeveloped compared to the UK, and in rural areas online is the only option, especially when purchasing non-Chinese products.

WeChat is life

While having the necessary technology and consumer demand provides a solid basis for China's mobile commerce success, it has been the impact of WeChat, the country's most popular messaging app that has transformed mobile commerce. Launched in 2011 by Chinese investment company Tencent, it has developed into an all-encompassing browser for mobile websites — with retailers from banks to fashion brands and pharmacists making the app home of their official online stores. Even Dior has signed up, recently becoming the first luxury brand to sell handbags on WeChat.

The figures are overwhelming for domestic and international retailers. 94% of users will log in to WeChat every day, with 61% using it more than 10 times a day and 36% logging in more than 30 times.

With such a powerful tool, the best approach for retailers has been to adapt to the platform rather than create a new one and use it to optimise the shopping experience; implementing tailored marketing and social media campaigns.

For consumers, following a retailer via its WeChat 'official account' is the main way to receive information, news, promotions and recommendations. Content is pushed to subscribers to enable sales, and a large number of APIs allow brands to customise their account interface.

Standing out is a major challenge as there are now so many businesses trading on WeChat. Converting buyers into loyal customers requires finding an alternative approach — being original and creative in front of people with an appetite for innovation.

WeChat takes social media to a new level. Although brands adapt content for different social networks in the UK, they must rely on limited parameters and users are confined to liking, favouriting, commenting on or sharing posts — with WeChat brands are offered more options for interacting with their users, such as incentivising brand activities. For example, online cosmetics retailer Feelunique runs games and rewards users with coupons. If you invite your friends to play, you receive more rewards.

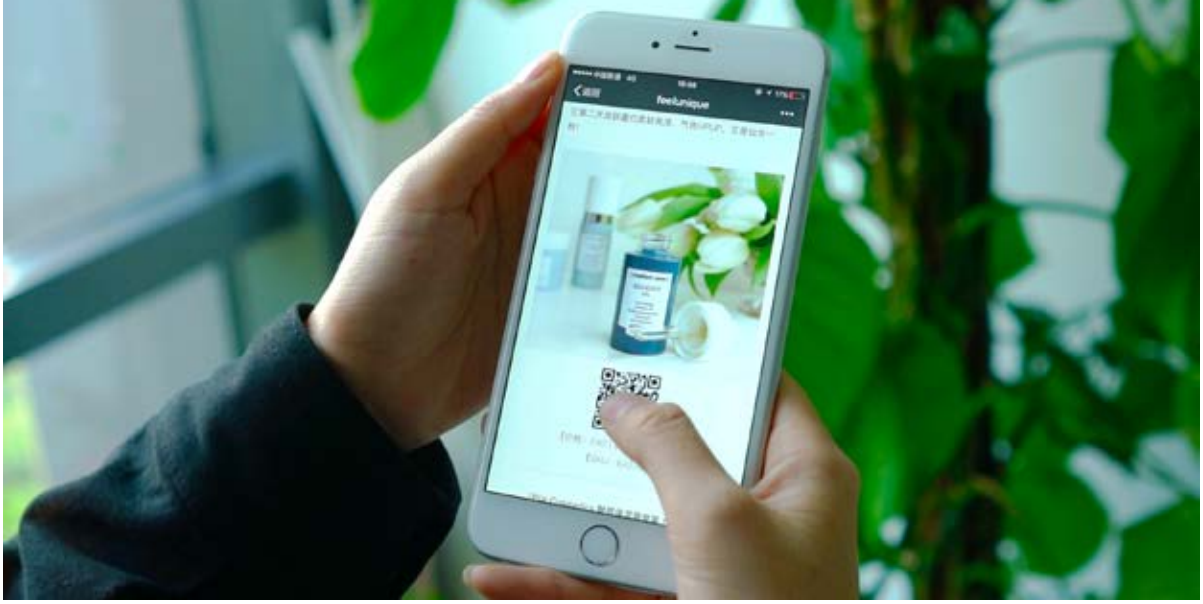
QR Codes — ahead of their time?

China is ahead of the world in its application of QR codes. While old news in the UK, with retailers trialling them since 2011 and seeing varying levels of success, in China they are ubiquitous and used by all retailers from street vendors to high-profile brands.

Five years of mobile commerce progress in any country is a lifetime, and during that time a whole new generation of people shopping primarily on their smartphones will also appear. With technology developing fast it's easy to bypass earlier ideas — some of which may simply have been more advanced than their time; impeded by hardware or software constraints and not able to achieve critical mass.

Retailers in China are successfully marrying offline and online channels, most notably with the use of QR codes. A customer scans a QR code found on print marketing, product labels, packaging, shop windows or till receipts, and the information is stored on their phone. They can continue shopping from the same store on the phone and will typically share their experience on social media. Purchases can also be paid for via a QR code.

German online pharmacist Bodyguard Apotheke produced an offline advertising campaign using banners and postcards carrying an offer which could be taken up if shoppers scanned the QR codes and became WeChat fans. A simple and effective way of



driving custom, the brand saw traffic from WeChat account for 18.8% of total sales during the campaign with an average basket value of £72.

Existing functionality within WeChat allows shoppers to scan QR codes without downloading a reader. In the UK, embedded QR code readers are slowly being introduced across mobile phone operating systems, such as within the iPhone's Wallet app.

Effectively engaging people by using QR codes in the most compelling way to increase awareness and sales will help elevate multichannel shopping culture, and become ingrained in this new generation of mobile-first consumers' behaviour. Loyalty is a differentiator and QR codes offer a vehicle to reach customers on a personal level.

Ultimately, it's the payment function on WeChat that has revolutionised mobile commerce. Customers create a 'wallet' by linking to a bank or credit card and can then shop with all official WeChat apps, known as accounts. Since June 2010, the People's Bank of China has issued over 200 licenses to non-financial institutions to provide third-party payment services and declared a national mobile payment standard. This has led to an explosive growth in Chinese mobile payments. Some 364 million people in China now shop via mobile, a growth rate of almost 25% compared to last year. Some predict that mobile payments will account for three quarters of all online retail transactions in 2018.

So what lessons can UK retailers learn from China's mobile commerce success and how can they be applied to the UK marketplace? While a mobile-friendly presence is imperative, and many retailers have built impressive sites over the past couple of years, an app will add layers of functionality and engagement. Apps embrace technology. They personalise the shopping experience and streamline the path to purchase, driving conversion and revenue.

Simplify mobile payment methods — they need to be convenient. Provide instant rewards, offers and location-based messaging. Social media and mobile marketing strategies must be dynamic and engaging. There may not yet be a UK equivalent to WeChat, which offers seamless integration under one virtual roof, but there are plenty of standalone options. Facebook's 'Shop Now', Pinterest's 'Buy it' pins and Instagram's click-to-buy functionality can be just as effective tools for social shopping.

Don't underestimate the power of QR codes, which with increasing investment from software manufacturers, higher retailer adoption and consumer awareness could see them become a sturdy foundation of modern retail.

A considered approach to selling via mobile, acknowledging learnings from past successes and failures, taking relevant inspiration from global influencers doing things well, observing consumer culture and where mobile industry investment is headed, will see UK retailers comfortably evolve.

Retailer's Story

"WE'RE CONSTANTLY BEING SCRUTINISED BY THE CHINESE CONSUMER"

MEGAN HAGGAN — 22/11/2016

They've phoned pharmacies and even sent relatives to Australia to check the pharmacies from which they source health products are real, physical entities

Chinese consumers are stopping at very little to get hold of Australian goods.

It's a massive boon for Australian pharmacy business, says Rania Awad, general manager e-commerce for Pharmacy 4 Less and Roy Young Chemist.

The growing discount brand — which plans to open up another six stores before Christmas — was one of an increasing number of pharmacy businesses to perform strongly during the recent Singles Day promotion, a shopping holiday not unlike Black Friday and Cyber Monday.

"It's a completely made-up holiday," Awad says. "It's an anti-Valentine's Day for single people, created by Alibaba a couple of years ago to run heavy promotions, and it's really caught on.

"It's a very, very big day in China retail-wise, and it was a big day for us — we participated with both our brands that are present in the Chinese market, Roy Young Chemist and Pharmacy 4 Less and as expected the results are very, very positive — we sold about four or five times our normal volumes."

Pharmacy 4 Less wasn't the only brand to clean up during the Singles Day promotion this year: according to the Daily Telegraph, Chemist Warehouse sold $2 million of stock in 13 minutes, while pharmacist Danielle Di Pilla, founder of Goat™, earned more than a million in the 24-hour sale, leveraging her relationship with Chemist Warehouse.

The strength of the Chinese market cannot be underestimated, Awad says. The sheer volume of consumers keen to access Australian-made — and Australian safety regulated — health goods makes entering the market a must for Australian pharmacy brands.

The banner group uses Azoya, a turnkey e-commerce solutions and services provider dedicated to the Chinese market, for its fully-managed e-commerce platform. The platform was launched only in August.

"To be honest, the demand and market found us, as it has in general the Australian health brands," she says.

"We were trying to meet that demand via various channels through our .au website, until we tested the market and understood its capacity and the opportunity that lies there, and decided to go straight to our consumers in China.

"The history for China with health products has been very bad — they have a huge problem with counterfeiting, there was the issue with the baby formula which caused deaths. There's a trust factor, and Australian, New Zealand and German products are seen as high-quality products and brands they trust.

"Our consumers in China, in particular, want to make sure their products are in fact coming straight from Australia. They don't want products from a warehouse in China, they want to order directly from the floor of an Australian pharmacy.

"We've had customers ring up to make sure we're here, we speak English and can answer their questions. We've even had some send relatives to make sure we're really here!

> "We're constantly being scrutinised by the Chinese consumer to make sure they're getting the product they're paying for."

Pharmacy 4 Less still has limits in place on its formula sales, following the run on Australian baby formula by Chinese buyers earlier this year.

"People are still trying to purchase it in bulk," Awad says. "This is why we figured it would be easier to go direct to the consumer.

"Complementary medicines are the other big area for growth: Blackmores and Swisse have seen amazing spikes in their volume over the last couple of years.

"Next year is all about growing the Pharmacy 4 Less brand across Australia, but it's also about growth through catering to the Chinese market."

VERLIEREN CHINESISCHE MARKTPLÄTZE FÜR EINZELHÄNDLER AN ATTRAKTIVITÄT?

(German: Is marketplace losing the appeal to retailer)

Elena Gatti, Azoya Deputy Managing Director, DACH

Im vergangenen Jahr expandierte eine wachsende Zahl an internationalen Marken und Einzelhändlern mit Hilfe von Cross-Border-E-Commerce in den chinesischen Markt. Gleichzeitig stieg auch die Zahl der chinesischen Konsumenten, die Produkte aus dem Ausland kaufen. Ein vielversprechender Markt, wie Elena Gatti (Azoya) in einem Gastbeitrag erläutert.

Jüngsten Prognosen zufolge soll der gesamte E-Commerce in China Ende 2016 einen Umsatz von mehr als 850 Milliarden Euro (Quelle: iimedia) erreicht haben. Der meist genutzte Weg, um in den chinesischen Markt einzusteigen, ist nach wie vor ein Flagshipstore auf einem der großen Marktplätze. Mittlerweile gibt es allerdings auch Marken und Einzelhändler, die auf der Suche nach neuen Kanälen sind, um chinesische Verbraucher zu erreichen. So haben beispielsweise die US- amerikanische Marke Coach, das britische Asos oder auch das australische Amcal begonnen, ihre eigenen E-Commerce-Kanäle außerhalb der Marktplätze zu etablieren.

Ja, Marktplätze bieten aufgrund ihrer riesigen Kundenbasis, ihrer Glaubwürdigkeit und einfacher Einrichtung eines Shops nach wie vor eine gute Plattform für Einzelhändler. Aber es gibt durchaus Nachteile für die Markteinführung auf Marktplätzen. Und diese sollten bei einer nachhaltigen und langfristigen Strategie berücksichtigt werden.

Ich zeige daher im Folgenden 3 Gründe dafür auf, dass ein Marktplatz nicht zwingend die attraktivste Plattform ist, um nach China zu expandieren.

1. INVESTITIONEN: JA. NACHHALTIGER ERFOLG: NEIN!

Ein erfolgreiches Geschäft baut auf Nachhaltigkeit auf. Jedes Unternehmen muss daher zu vernünftigen Kosten betrieben werden und eine gute Rendite erzielen. Wenn also die Kosten für den Betrieb auf Marktplätzen zu viel von der Marge „fressen“, dann ist dies schädlich für das Geschäft. Der Betrieb eines Flagship Stores auf einem chinesischen Marktplatz erfordert in der Regel eine feste jährliche Servicegebühr und zusätzlich eine Provision, die auf dem Wert jeder Transaktion basiert. Darüber hinaus müssen sich die Betreiber des Shops lokale Partner für den laufenden Betrieb suchen, denn kaum ein internationaler Einzelhändler hat Mitarbeiter, die Shopbetrieb, Kundenservice, Marketing und Social Media gleichzeitig beherrschen — und schon gar nicht auf Chinesisch. Das kann den Händler dann schon mal zusätzliche 10–15 Prozent Kommission kosten. Und die reinen Betriebskosten des Shops — die trägt der Händler natürlich auch.

Hinzu kommen nicht zu unterschätzende Investitionen, um Traffic für den eigenen Shop zu generieren, denn die Konsumenten müssen die Produkte inmitten der Massen an anderen Produkten erst einmal finden. Kunden suchen auf Marktplätzen in der Regel nach Produkten, nicht nach bestimmten Shops. Auf den Marktplätzen ist jeder Anbieter daher wie ein kleiner Fisch im Ozean: Jeder muss seine Produkte aus den Milliarden von Produktangeboten selbst mittels zusätzlicher Aufwände hervorheben. Besondere Aktions-Kampagnen sind teuer, wenn Einzelhändler ihren Kunden kostenlose Lieferung und die Übernahme der Steuern anbieten wollen. Und das müssen sie in der Regel, denn chinesische Kunden erwarten diesen extra Service. Eine ganze Reihe an internationalen Einzelhändlern hatten versuchsweise ihre Preise auf den Marktplätzen erhöht, um die zusätzlich entstehenden Kosten zu decken. Die Folge: Kunden wandten sich ab und kauften schlichtweg bei anderen Shops oder über so genannte Daigou, Auftragseinkäufer im Ausland, ein. Unter diesen Parametern ist es schwer, nachhaltigen Erfolg aufzubauen.

2. KUNDENBINDUNG AUFBAUEN IST EINE SCHWIERIGE AUFGABE

Chinesische Verbraucher sind immer auf der Suche nach einem besseren Deal. Das liegt in der Natur ihres Einkaufsverhaltens. Und die Suchmaschinen auf den Marktplätzen erleichtern diese Suche um ein Vielfaches. Nicht nur das, sie ermöglichen auch den direkten Preisvergleich der Produkte aus verschiedenen Shops. Die Folgen sind für jeden einzelnen Shopbetreiber spürbar: Kunden sind ihnen gegenüber nicht loyal, denn sobald sie einen besseren Deal in einem anderen Shop finden, wenden sie sich ab.

Es besteht kein Zweifel daran, dass die großen Marktplätze sehr viel in Kundenbindungsprogramme investieren. Und das auch teilweise mit Erfolg: Nach einem präzisen und regelmäßigen Engagement mit den Kunden hat sich die Wiederkehrrate auf den Marktplätzen signifikant erhöht. Trotzdem ist die Loyalität des einzelnen Kunden nicht an einen bestimmten Shop gekoppelt. Wenn Einzelhändler selbstständig eine Bindung zu ihren Kunden aufbauen müssen, müssen sie tatsächlich ihr eigenes CRM-System aufbauen. Der Marktplatz kann hierbei nicht helfen.

3. EINGESCHRÄNKTE MÖGLICHKEITEN FÜR KREATIVITÄT

Wer sich für einen Marktplatz entscheidet, muss nach den Regeln des Marktplatzes spielen. Um ein einheitliches Einkaufserlebnis für Kunden zu gewährleisten, macht es aus Sicht des Marktplatzes natürlich Sinn, Module zu standardisieren. Aber auch hier sind die Nachteile für einzelne Shopbetreiber offensichtlich: Das Aussehen eines Shops zu verändern, kann schwierig sein, kreative Entscheidungen sind begrenzt, und Einzelhändler müssen sich stark auf die angebotenen Dienste der Marktplätze verlassen. Spielraum für eigene Kreativität gibt es wenig bis gar nicht.

Der Markt außerhalb der Marktplätze

Chinesische Verbraucher haben jetzt mehr Möglichkeiten als je zuvor. Es ist sehr wichtig, dass Einzelhändler das richtige Marktsegment herausfinden und ihre Marken und Dienstleistungen differenzieren. Interessanterweise ist der Ausstieg von einem Marktplatz für viele gleichbedeutend mit dem Ausstieg aus dem chinesischen Markt. Aber das muss nicht sein, denn es gibt ihn, den Markt außerhalb der Marktplätze. Die traditionelle Grenze des E-Commerce verschwimmt immer mehr, vor allem, da Mobile Commerce immer populärer wird. Wir erleben eine wachsende Zahl an Händlern, die versuchen, Kunden über Social Media Kanäle, sogenannte Key Opinion Leaders (KOL), und andere aufstrebende Kanäle zu erreichen. Die Idee dahinter ist, dass ein Shop auf einem Marktplatz nicht zwingend die einzige Anlaufstelle für den Kunden ist. Wenn ein potenzieller Kunde einen Artikel auf WeChat liest, kann er das Produkt über einen Link direkt in einem Shop kaufen. Ein Prozess, der einfach und sicher ist und durch mehrere Zahlungsmethoden unterstützt wird.

Der Einstieg über einen Marktplatz ist für viele Einzelhändler ein logischer erster Schritt, um in den chinesischen Markt zu expandieren. Sie können testen, wie der Markt funktioniert und wie chinesische Kunden auf ihre Produkte reagieren. Aber wenn man sich die oben genannten Punkte einmal verinnerlicht, sollte der Marktplatz nicht die einzige Plattform bleiben. Wer sich wirklich nachhaltig in China etablieren möchte, sollte sich auf jeden Fall auch andere Möglichkeiten ansehen. Denn als kleiner Fisch kann man im großen Ozean auch schon mal verloren gehen — Nemo ist wohl das bekannteste Beispiel dafür.

Quelle place pour l'e-commerce cross-border en Chine?

(What is the place for cross-border e-commerce in China?)

Stephane-Azoya Managing Director of France, UK and Belgium, Interview by Frenchweb

Les ventes en ligne en Chine pourraient atteindre les 911 milliards de dollars en 2016, selon une étude eMarketer, et franchir les 1,2 milliard de dollars dès l'année prochaine. Des chiffres qui suscitent l'intérêt de nombreux e-commerçants tentés de se lancer sur le marché chinois et de profiter de sa croissance. Mais pour y parvenir, traduire simplement un site en chinois ne suffit pas, estime Stéphane Rouquette, directeur France d'Azoya Group, une entreprise spécialisée dans les solutions d'e-commerce transfrontalier avec la Chine.

« Ce n'est pas parce que l'on rencontre un succès sur notre marché local que l'on va avoir du succès sur un territoire. C'est valable pour l'international globalement, mais en Chine c'est encore plus vrai. Il faut bien s'assurer que notre produit est demandé sur le marché chinois », insiste Stéphane Rouquette. Ensuite, d'autres éléments entrent en jeux, selon le spécialiste. « Il faut s'assurer aussi d'avoir les bonnes réponses pour les consommateurs chinois : avoir les bonnes offres, les bons moyens de paiement et une logistique pertinente ».

Sur ce dernier point, il insiste notamment sur l'importance de la traçabilité des produits, en particulier lorsqu'il s'agit d'opérer sur des places marchés en ligne qui présentent l'avantage pour les consommateurs de pouvoir acheter des produits qui sont basés à l'international. Une tendance forte selon Stéphane Rouquette : « le cross-border est vraiment en train de se développer »

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Azoya is a leading turnkey e-commerce solutions provider and retail operator, which assists global retailers in tapping into China via cross-border e-commerce model and establishes the next-generation cross-border trading platform. With the all-encompassing services and dedicated specialist teams, Azoya has already successfully established strategic partnerships with over 35 international retailers across 11 countries since 2013, making Azoya as one of the leaders and fastest growing player in cross-border e-commerce in China.